

PART 573 Defect and Noncompliance Report

03V-258 ① of ②

Indian Motorcycle Corporation, a California corporation ("IMC"), has determined that a defect which relates to motor vehicle safety exists in the motor vehicles listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573 Defect and Noncompliance Reports.

Date this report was prepared: July 21, 2003

Furnish the manufacturer's identification code for this recall (if applicable): NA

Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled.

Indian Motorcycle Corporation
200 E. Tenth Street
Gilroy, California 95020

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

Andrew Broadley, Senior Director of Engineering

Telephone Number: 408-846-7257 **Fax No.:** 408-842-5612

Name and Title of Person who prepared this report.

Gabrielle Gallegos, General Counsel 408-846-7257

Signed:

Andrew Broadley, Senior Director of Engineering

L. Identify the Vehicle Models Involved in the Recall

1.1 Identify the Vehicles Involved in the Recall, for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide:

- A. Make: Indian Model Years Involved: 2001, 2002, 2003 Model: Scout, but not including the Scout Centennial

Production Dates: Beginning: 2-14-2000 Ending: 7-10-03

VIN Range: See Attached List

Vehicle Type: Motorcycle Bodystyle: N/A

- B. Make: Indian Model Years Involved: 2002, 2003 Model: Spirit

Production Dates: Beginning: 10-9-02 Ending: 7-10-03

VIN Range: See Attached List

Vehicle Type: Motorcycle Bodystyle: N/A

- C. Make: Indian Model Years Involved: 2003 Model: Chief Vintage

Production Dates: Beginning: 1-15-03 Ending: 7-10-03

VIN Range: See Attached List

Vehicle Type: Motorcycle Bodystyle: N/A

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall: The recalled vehicles have a teardrop shape headlight held by a particular bracket. The models not recalled have a round headlight held by a different bracket. The problem that caused the recall has not manifested in the brackets that hold the round headlights.

1.2 Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above that the recalled model population represents.

100%

II. Identify the Recall Population

2.1 Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

6,173

2.2 Model Year Potentially Involved

See above for each model.

2.3 Total Number Potentially Affected by the Recall:

6,173

2.4 Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance:

IMC does not know the percentage actually containing the defect; therefore, this notification and remedy campaign will include 100% of the vehicles identified in item 2.1.

2.5 Identify and describe how the recall population was determined—in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

The recall condition has manifested in the bracket that has been used to support the teardrop headlight in several of the Indian models. All motorcycles with this bracket were included in the recall. In all cases the beginning date is the first date of manufacture, and the end date is the date on which the fix for the problem was introduced in the manufacturing process.

III. Describe the Defect or Noncompliance

3.1 Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

The design of the mounting bracket for the teardrop headlight incorporates a bend at the point that the bracket arms fold, the radius of which is too small causing stress loads in excess of the material capability. The failure of the bracket design to adequately distribute the stress load leads to cracking at the bend point in the mounting bracket. In the most extreme case, the cracks can radiate through the bracket, causing the bracket to break and the light to slump out of position or even fall off. See picture of the old and new brackets in 5.1.

3.2 Describe the cause(s) of the defect or noncompliance condition.

See response to 3.1.

3.3 Describe the consequence(s) of the defect or noncompliance condition.

The headlight mounting bracket can crack, causing the light to slump out of position, or even to fall off.

3.4 Identify any warning which can (a) precede or (b) occur.

None.

3.5 If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

Daepoong Co., Ltd.
712-830 #69 Pyungsan-Ri, Jinnyang-up
Kyungsan-City
Kyungbuk, Korea

US. Affiliate:
International Light Metals
221 S. Reeves Drive #204
Beverly Hills, CA 90212

3.6 Identify the name and title of the chief executive officer or knowledgeable representative of the supplier.

H.S. Lee, Overseas Business Manager

IV. Provide the Chronology in Determining the Defect/Noncompliance

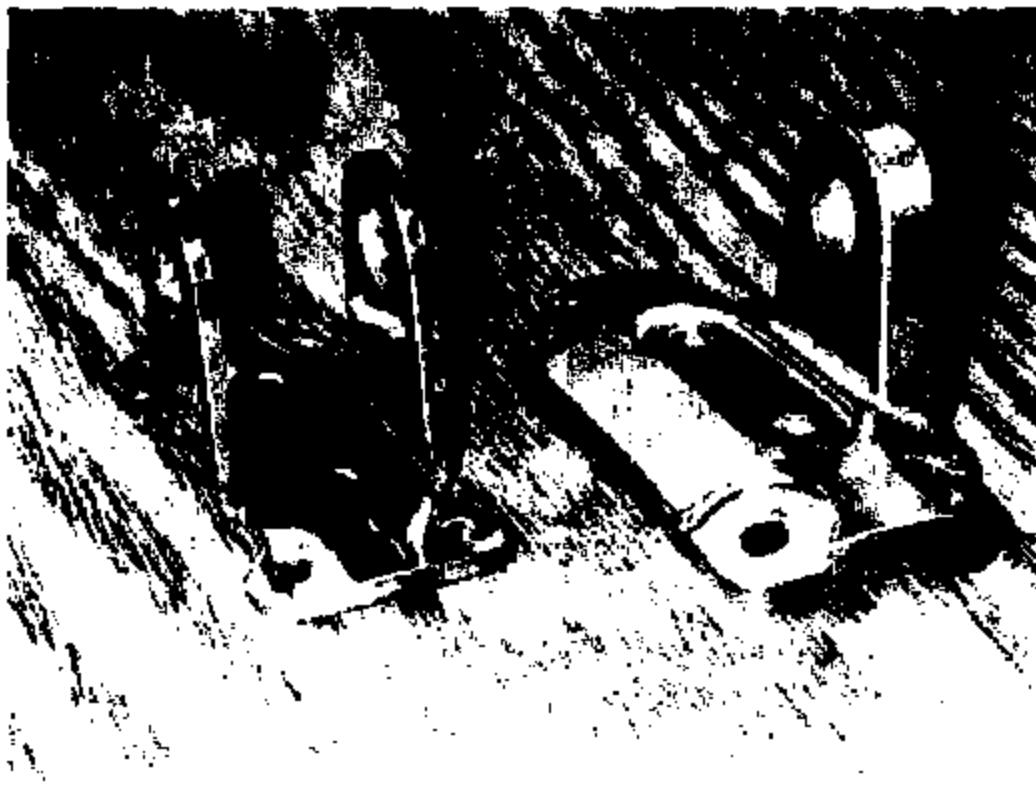
4.1 With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

In February of 2003 IMC received a written consumer complaint stating that the consumer's teardrop headlight bracket had broken on more than one occasion. IMC then undertook an investigation of the frequency, severity, and cause of the breakage. During this period, NHTSA contacted IMC regarding an investigation of this issue based on consumer complaints. IMC subsequently determined that breakage of the teardrop headlight mounting bracket was occurring with sufficient frequency to warrant a recall and redesign of the existing bracket. IMC has not received any reports of accidents, injuries or fatalities related to the recall condition. IMC has received 742 warranty claims related to the teardrop headlight, but as the bracket is not identified as a separate part number, IMC is not aware of the extent to which these claims involve breakage of the bracket.

V. Identify the Remedy

5.1 Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

IMC designed a new bracket that is a single metal casting as opposed to stamped and formed steel. The use of a casting eliminates the bend radius issues that had caused cracking in the original part, and the cast bracket is much more robust in terms of the amount of material used.



5.2 Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

See response to 5.1.

5.3 Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

The recall condition was corrected in production on July 10, 2003. IMC now purchases the headlights without the bracket attached. As part of the production process, IMC attaches the newly designed brackets. The field fix is essentially the same, however, the dealer will be sent an entire new headlight housing that incorporates the new bracket, as it is not feasible for the dealer to detach the old brackets from the housings.

VI. Identify the Recall Schedule

6.1 Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

Notification Schedule: The Service Bulletin will be sent to dealers the week of July 21, 2003. The consumer letter will be sent as soon as it is approved by NHTSA.

Remedy Schedule: IMC will immediately begin assembling kits with replacement parts to be sent to dealers. Around 300 kits will be ready the week of July 21, and additional kits will be assembled weekly until the recall is completed.

VII. Furnish Recall Communications

7.1 Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) for review prior to mailing.

The following documents are attached:

List of Affected VINs
Service Bulletin
Draft Consumer Letter

DRAFT

July ____, 2003

03V-258 (7) or (2)

Dear Indian Motorcycle Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Any vehicle lessor who receives this notice must forward a copy to the lessee within 10 days, as required by Federal law.

REASON FOR NOTICE

Indian Motorcycle Corporation ("IMC") has decided that a defect which relates to motor vehicle safety exists in certain Scout, Spirit, and Chief Vintage models produced through July 10, 2003. The bracket mount for the teardrop headlight can crack, causing the headlight to move out of position or even to fall off, increasing the risk of accident particularly at night.

WHAT YOUR INDIAN DEALER WILL DO

Your dealer will replace your headlight housing and bracket with a newly designed unit. This replacement will be performed without charge to you. If you have previously had your teardrop headlight replaced due to a broken bracket and this work was not covered under warranty, please contact IMC Customer Service at the number given below to obtain a reimbursement. You should also visit your dealer to have the work performed again, as IMC has designed an improved bracket that was not previously available.

WHAT YOU SHOULD DO

Please contact your IMC dealer as soon as possible to arrange a service date. The actual labor time necessary to perform the inspection and replace the defective bracket is around 40 minutes, but your dealer may need additional time with your motorcycle depending on how appointments are scheduled and processed. When you make your appointment with the dealer, please let the dealer know that you are coming in for the recall work so that the dealer can order the necessary replacement parts.

If you need assistance locating a service facility, please contact a Customer Service Specialist at IMC Customer Service 1-888-899-2997. Also, if you take your bike in on an agreed service date and the repair is not performed within a reasonable time, please call IMC Customer Service. If you have sold or traded your bike, please let us know by completing the postage paid reply card and returning it to us.

If after contacting your dealer and IMC customer service you still have not received the necessary service without charge within a reasonable amount of time, you may submit a written complaint to the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street S. W., Washington, D.C. 20590 or call 1-888-327-4236.

We here at IMC apologize for any inconvenience this has caused you. Please understand that we have sent you this notice because we care about your safety and the quality of our products. We urge you to get your bike serviced promptly.

Thank you for your attention to this important matter.

George Nobile, Vice President of Customer Service



Bulletin #: IMCSB-057

Author: Richard Waters

Rev: A

Date: 7-18-03

Affected Models: 2001 Scout
 2002 Scout, 2002 Spirit
 2003 Scout, 2003 Spirit
 2003 Chief Vintage

VINs: See Attached

Recall: Service Bulletin

Safety Recall of Teardrop Headlight

Purpose: The headlight bracket may crack causing the headlight to become detached, which increases the risk of an accident.

Important Notice:

Federal law requires the dealer to complete the recall service prior to retail delivery of vehicles still in dealer inventory.

The National Traffic and Motor Vehicle Safety Act, as amended, provides that each vehicle subject to a recall campaign of this type must be adequately repaired within a reasonable time after the owner has tendered it for repair. Failure to repair within sixty (60) days after tender of a vehicle is considered evidence of failure to repair within a reasonable time.

If the condition is not adequately repaired within a reasonable time, the owner may be entitled to an identical or reasonably equivalent vehicle at no charge, or to a refund of the purchase price less a reasonable allowance for depreciation.

As you will see in reading the attached copy of the letter that is being sent to owners, the owners are being instructed to contact Indian Motorcycle Corporation Customer Service if their dealer does not remedy the condition within a reasonable time of the mutually agreed upon service date. If the condition is not remedied within a reasonable time, consumers are also instructed on how to contact the National Highway Traffic Safety Administration.

Labor time: 0.6 hours

Tools Required

#1 Phillips Screwdriver	Small Flat Blade Screwdriver	5/64" Allen	5/16" Allen	9/16" Wrench
Torque wrench, foot-pounds				

Materials Required**Order Service Kit: P/N 68-126 (order through Dealer Extrast)**

Part #	Part Description	Qty
	Housing, headlight assembly	1
66-233	Trim ring, inner	1
67-005	Bezel, ring	1
66-243	Isolation gasket, teardrop headlight, foam	1
96-321	Screw, button head socket cap, #6-32 x 1/2"	2
96-462	Screw, crossed recessed oval countersunk, stainless, #8 x 1/2", Type - B, thread forming tapping	1
IMCSB-057	Installation Instructions	1

66-233 67-005 66-243 96-462
96-321

Removal of Old Headlight Housing

- 1 Remove the Phillips screw from the bottom/front of the outer trim ring.
- 2 Remove the button head socket cap screws from the top of the trim ring using a 5/64" allen.
- 3 Gently pry at the bottom of the trim ring and remove the ring and headlight.

NOTE: there is a tab at the top of the ring.

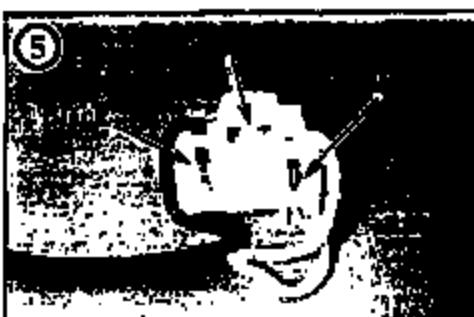
- 4 Un-plug the connector from the headlight bulb.
- 5 View the headlight connector and write down the position of the wires in relation to the connector.

White = High beam

Yellow = Low beam

Black = Ground

- 6 Remove the flat electrical contacts from the headlight connector using a small thin flat blade screwdriver. Depress the barb of each contact and remove.
- 7 Press out the grommet from the back of the headlight bucket.



- 8 Remove the wiring harness from the bucket. The housing harness hole is slightly oval in the vertical direction. Guide the contacts through the hole vertically.
- 9 Remove the cap screw securing the housing to the triple clamp headlight mount using a 5/16" allen and 9/16" wrench.
- 10 Remove the headlight housing.



New Headlight Installation

- 11 Feed the wiring harness through the wire hole in the rear of the new housing.
- 12 Install the grommet in the new housing.
- 13 Return the electrical contacts to the correct position in the electrical connector.
- 14 Align the new headlight housing to the triple clamp headlight mount.
- 15 Slip in the existing 3/8"-16 x 1-3/4" socket head cap screw and thread the nut on.
- 16 Tighten the hardware enough to allow alignment of the headlight beam in a future step.
- 17 Remove the rubber gasket from the inner trim ring and discard.
- 18 Clean the rear surface of the headlight with alcohol. Peel off the backing tape, position the foam gasket (p/n 66-243) and press firmly into place.
- 19 Slip the lens into the outer trim ring.
- 20 Slip the new inner ring inside the outer trim ring.



- 21 Apply blue thread lock to the first four threads of the #6-32 x 1/2" chrome button head socket cap screws (96-321).
- 22 At the top of the trim ring are two through holes. Align the inner ring to the outer trim ring holes and thread the 2 button heads. Do not tighten.
- 23 Plug the connector into the bulb.
- 24 Perform a high/low beam test. Test both the low and high beam to make sure the beams correspond to the toggle switch position.
- 25 Fit the lens/trim ring assembly to the housing. Align the tab in the lens assembly to the tab slot in the bucket.
- 26 Align the hole in the lens/trim assembly to the hole in the bucket. The hole is located at the bottom of the bucket.
- 27 Thread the new Phillips #8 screw (96-462) into the assembly.
- 28 Tighten the 2 button head screws on top of the other trim ring to 8 inch pounds using a 6/34" allen and torque screwdriver.
- 29 Align the headlight to your State's standards. Torque the socket head cap screw using a 9/16" socket & 5/16" allen to 38-44 foot pounds.



Dealer Protocol - Order/Reporting/Credit:

- Ordering:** Dealer must order service kit part number 68-128 (headlight, teardrop, with cast bracket, isolation gasket & bezel screws kit). Submit claim electronically through dealer extranet (VIN required to process order). Follow drop-down menu Warranty & Service/New Warranty/Recall Claim (part will be shipped to dealer at no cost and no freight charged).
- Reporting:** Upon completion of recall activity for replacement of the Teardrop Headlight Kit, dealer will submit an electronic Dealer Response Card (DRC) via Dealer Extranet.
- Credit:** Upon completion of Reporting Process via Dealer Extranet an electronic Labor Claim will be processed to reimburse 0.6 hours labor time at the dealer's labor rate.

Note to Dealer: When submitting claim, Dealer Extranet requires repair completion date.

- Do Not Return defective parts to the factory.
- Do Not dispose of defective parts.

The defective parts will be subject to standard IMC audit review procedure.

Field Service Managers

Reggie Weakley: 408-846-7105 • Don Mahovic: 408-846-7201 • Gary Andersen: 408-846-7305 • Rich Kennedy 408-846-7107

Routing

Service Manager	Sales Manager	Parts Manager	Lead Technician	Technician #1	Technician #2	Technician #3	Technician #4	Return this doc